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17 May 1979

TRANSLATIONS ON JAPAN
(FOUO 17/79)

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CONTENTS

PAGE

POLITICAL AND SOCIOLOGICAL

'AKAHATA' Editorial Comments of Ohira-Carter Summit (JPS, 7 May 79)	1
'NIHON KEIZAI' Stresses Need To Fulfill Promises at U.S. Summit (Editorial; NIHON KEIZAI SHINBUN, 4 May 79)	4
'ASAHI' Comments on Upcoming UNCTAD Meeting (Editorial; ASAHI EVENING NEWS, 5 May 79)	6
Communist Party Issues May Day Slogans (JPS, 1 May 79)	9
Opposition Parties Issue Statements on Japan's Constitution Day (ASAHI SHINBUN, 3 May 79)	13
JCP's Miyamoto To Visit Hanoi Before Autumn (MAINICHI SHINBUN, 30 Apr 79)	16

MILITARY

Upgraded Air Defense Force Planned in Next Fiscal Year (ASAHI EVENING NEWS, 1 May 79)	18
--	----

ECONOMIC

Foreign Exchange Decontrol Eyed for Fall (THE DAILY YOMIURI, 30 Apr 79)	20
MITI To Throw Weight Into General Aviation Industry (Editorial; NIKKAN KOGYO SHINBUN, 2 Feb 79)	23
Petrochemical Industry To Scrap and Rebuild Plants (NIKKAN KOGYO SHINBUN, 31 Jan 79)	25

- a -

[III - ASIA - 111 FOUO]

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CONTENTS (Continued)

Page

Criticism Against Excessive Protection of Agricultural Industry Increases (Various sources, various dates)	27
Excessively High Prices Is the Farmer's Vote That Important Hasten a Change in Agricultural Administration, Seiji Amaike Interview	

Japan To Propose International Development of Coal-Oil Mixture (ASAHI EVENING NEWS, 3 Mar 79)	41
--	----

SCIENCE AND TECHNOLOGY

Steps Taken To Promote Economical Use of Energy (NIKKAN KOGYO SHINBUN, 1 Feb 79)	42
MITI, Nonferrous Industry To Promote Automated Mining (NIKKAN KOGYO SHINBUN, 31 Jan 79)	43

- b -

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POLITICAL AND SOCIOLOGICAL

'AKAHATA' EDITORIAL COMMENTS OF OHIRA-CARTER SUMMIT

Tokyo JPS in English 0900 GMT 7 May 79 OW

[Text] Tokyo, 7 May (JPS)--AKAHATA carried an editorial on 6 May, entitled "Has Japan-U.S. Relationship Come to the Age of 'Equality'?" The full text of the editorial follows:

Prime Minister Masayoshi Ohira visiting the U.S. has (?completed) his main schedule, including the summit talks with U.S. President Jimmy Carter, and will return to Japan on 7 May. On the Japan-U.S. summit talks extolling "fruitful partnership between the two countries for the coming 1980s," some quarters in Japan's mass communication media advance an argument that this betokens the coming of the "age of equality" between Japan and the U.S. could this be true?

The inner reality of the Japan-U.S. summit talks is most distinctly typified as that the U.S. faced by various contradictions and difficulties in recent years, to rebuild its world strategy, has further integrated Japan into its world strategy as a potent ally, which has now joined in the company of "big powers" of capitalism. This indicates that the dropping of the relative position of the U.S. in the capitalist world, and the promotion of Japan's position do not flatly lead the Japan-U.S. relations on the "equal" and "even" footing, but will lead Japan's structure of subordination to the U.S. to expand, deepen, and to prolong.

Regional Expansion of Share in Subordination

In his speech given on 3 May at the National Press Club in Washington, Premier Ohira said, "The partnership with the U.S. is an essential prerequisite for Japan to conduct its foreign affairs. The peace supported by the balance of power in Asia, the Pacific areas, and the world is still dependent on the strong U.S." The reality to have Premier Ohira recognize the world situation as such characterizes the Japan-U.S. relationship today.

The summit talks praised the Japan-U.S. security setup in which Japan is subordinated to the U.S., as "the foundation of peace and security in Asia

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now and ever." It is also confirmed that the U.S. and Japan will jointly prop up China, which is repudiating the cause of socialism, and is drawing closer to the imperialist powers, and that Japan will positively cooperate with the U.S. in the new unfolding of the U.S. interventionist policy in Indochina, and the policy to "stabilize" the rule of the Asean-associated countries.

What to be noted, in addition, is that Japan's rule for supplementing the U.S. strategy extends to the "peace and stability in the Middle East and the Gulf area."

It is widely known that the recent development in the Middle East area, including the downfall of Shah Pahlavi's regime in Iran, which had been the U.S. foothold for the rule over the Middle East, and the increasing distrust of Arab countries of the U.S. on the "peace treaty" between Israel and Egypt, in which President Carter made a direct interference, have endangered the U.S. strategy for natural resources and energy, not only in the U.S. military strategy. [As received] to have Japan take in the responsibility to assist the U.S. for the "stability" of this area, means that Japan's share of responsibility under the Japan-U.S. military alliance will be expanded to the global scale, not only to all Asian areas.

It must be pointed out that Japan's share of role under subordination to the U.S., in the name of "partnership," is creating a marked increase in the military bearing [as received] in the expanding areas.

In the summit talks, the heads of the two countries confirmed to each other that the security setup is in good condition that never existed before, in such instances as particularly in the recent advance of the buildup of the Japan-U.S. defense cooperation setup of both countries be further strengthened, and the Japanese SDF's war potential be reinforced. It should not be passed in silence that those agreements are related to the buildup of the U.S. military strategy in the Middle East, and the U.S. policy to maintain the military superiority over the Soviet Union, as seen in the move to set up an Indian Ocean fleet.

In this political and military background, it is very serious that a new U.S. structure for economic rule over Japan is being constructed, under the pretext of a liquidation of the economic frictions between Japan and the U.S.

In speaking at the National Press Club, Premier Ohira said that Japan has made commitment to the U.S. that Japan will promote the "five objectives of the external economic policy" for a "medium and long range period," including the reduction of Japan's surplus in the balance of payments, an early enforcement of reductions on tariff, and the change in the economic structure. This indicated that in the summit talks, Japan accepted the

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strong U.S. demands. Particularly, through the summit talks, Japan is obligated to make an early settlement of the procurement of U.S. equipment for the Nippon Telegraph and Telephone Public Corporation, and to further liberalize Japan's markets, including the import of agricultural product. This means that Japan's leading industries and food will be increasingly subject to the interests of the multinational corporations, that is, U.S. monopoly capital, and this will inevitably force more burdens and sacrifices on the people, including many small and medium business operators and farmers in Japan.

In the Japan-U.S. science and technology cooperation agreement, it should not be taken lightly that a long range setup was agreed between the two countries for the development of new alternate energy, including the nuclear fusion and the liquidization of coal.

What must be pointed out further is that Japan and the U.S. agreed to establish a regular consultation between the Japanese Government and the U.S. Government on the high-level officers in charge, and a civilian "wisemen's group." [as received] The so-called "wisemen's group" is nothing but a permanent system for monopoly capital of the U.S. and Japan, under the leadership of U.S. monopoly capital, to directly pressure the Japanese Government and to supervise the Japanese economy. This will leave Japan's economic sovereignty to the care of the U.S. for a long time to come.

Choice of the Japanese People Becomes Weighty

It has become a serious concern for the peoples of Asia and the world, as well as the Japanese people, that on what course Japan will steer, a country now referred to as a "big power" in the capitalist world.

In this respect, the Japanese people's choice between the two ways has become more important than ever: Either to walk on the road of subordination to the U.S., serving monopoly capital, or to get out of such a course and change to a political, diplomatic and economic way of self-reliance and independence, peace and friendship, and for the service to the people.

In the recent summit talks, the Ohira government turned its back on the aspiration of the Japanese people and the way to peace and friendship among Asian nations, and declared that Japan will embark on the course to integrate the future of Japan, literally for a "medium and long range" period of time, into the new order of subordination to the U.S. the irresponsibility of the Ohira government for this must be severely denounced. We repeat emphasis on the importance of a complete change in Japan's politics, with a view to building an independent Japan with democratic national economy, and establishing genuine peaceful and friendly relations with the peoples of the Asian nations. [As received]

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3

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POLITICAL AND SOCIOLOGICAL

'NIHON KEIZAI' STRESSES NEED TO FULFILL PROMISES AT U.S. SUMMIT

Tokyo NIHON KEIZAI SHINBUN in Japanese 4 May 79 morning edition p 2 OW

[Editorial: "Promises at the Japan-U.S. Summit Meeting and the Government's Responsibilities"]

[Excerpts] Almost half the items mentioned in the joint communique deal with economic issues and their major thrust is to eliminate economic friction between Japan and the United States. This indicates how anxious the United States is to resolve problems arising from this bilateral economic friction. It should be noted that Japan has given very concrete promises on items enumerated in the joint communique. Japan should give serious thought to what should be done and how to fulfill those promises. Nevertheless, the attitude of the prime minister, the government, and the Liberal Democratic Party seem to be too easygoing in regard to the obligation to fulfill commitments made in this joint communique.

We, of course, do not believe that Prime Minister Ohira has promised that Japan will endeavor to eliminate economic friction between the two countries merely to end the summit meeting smoothly and in a friendly atmosphere without having any confidence of success. Yet, it should be emphasized that painstaking efforts will be required for Japan to fulfill its commitments at the summit meeting, including its agreement or resolve, before the upcoming Tokyo summit talks, the issue of opening Japan's Government procurements to foreign manufacturers.

To fulfill those commitments, Japan should fundamentally review its "new economic and social seven-year plan" even though its basic principles have already been formulated. It should also strive to open its markets widely in industrial, agricultural, and monetary sectors and in the field of distribution. Furthermore, Japan should endeavor to attain international homogeneity in its institutional mechanism and implementation of policies. At the same time, Japan is required to provide appropriate economic cooperation to developing nations and fulfill its share in promoting the security of the West in proportion to its current national strength. By so doing, Japan can be faithful to the commitments it made in the summit meeting and in the joint communique and to their ideals.

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To eliminate economic friction between Japan and the United States, our past experiences repeatedly indicate that the government should seek to obtain popular understanding of and support for Japan's diplomatic positions. In this context, success in rebuilding friendly relations between Japan and the United States, with Prime Minister Ohira's recent U.S. visit supplying the momentum, very much hinges on his leadership.

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5

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'ASAHI' COMMENTS ON UPCOMING UNCTAD MEETING

Tokyo ASAHI EVENING NEWS in English 5 May 79 p 2 OW

[Editorial in ASAHI SHINBUN 2 May: "UNCTAD Meeting"]

[Text] The fifth triennial meeting of the United Nations Conference on Trade and Development opening in Manila on 7 May forces us to again consider the fact that while many countries suffer from severe poverty only a few enjoy the comforts of an advanced, affluent economy.

The briefcases carried by the representatives of the developing countries of the south will be filled with pleas and demands to be made to the advanced countries of the north. But these advanced countries are still feeling the oil shock of 1973 and most of the requests of the underdeveloped countries will probably not be met in the near future.

What were the results of the "10 years of United Nations development" carried out in the 1960s and 1970s? It is true that systems were established in the trade and currency fields to work towards solution of the north-south problem. There are countries like South Korea, Singapore and Brazil where industrialization has occurred and which have developed into "semi-advanced countries" or "new industrial nations." But the basic structure of 20 years ago of "prosperity in the north and poverty in the south" has not changed. On top of that according to the prediction of the World Bank, even if the developing countries achieve the economic growth expected of them in the future, some 600 million people will still be trapped by the distressing consequences of poverty such as hunger, illiteracy, disease, high infant mortality rates and low average life expectancy at the end of the 20th Century.

Many despair at the slow pace of improvement but the advanced nations show little interest in confronting the north-south problem because they are tired of giving aid.

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But for both the north and the south, the correct choice is to grapple with the north-south problem with fresh courage. We must accept the fact that the economies of individual nations are dependent on the world's economy. The mutual dependency relationship between the north and the south is deeper than ever before. If the advanced countries hesitate to help the developing countries and withdraw into protectionist trade shells, it will not only hurt the countries of the south but will eventually destroy the countries of the north.

The new development strategy of the 1980s must be drafted through the UNCTAD Manila meeting, the Tokyo Summit in June and the summit meeting of nonaligned countries in the fall.

Prior to the Manila meeting, the "group of 77" developing countries met in Arusha, Tanzania, in February and drafted an "Arusha proclamation" containing the demands of the south. This proclamation is in fact a plan worked out by the developing countries to establish a "new international economic order," but the contents are very diverse. They reflect the fact that the economic gaps between the oil-producing nations and the non-oil producing nations and between the semi-advanced and developing countries and the gaps between the countries of Southeast Asia, Africa and Central-South America are gradually widening and that polarization is becoming obvious even among the countries of the south.

Because the contents of the joint fund for primary products, which was a problem carried over from the fourth UNCTAD meeting in Nairobi, had been decided, there appears to be no focal point for discussions between the north and the south at the Manila meeting. But if the advanced countries take advantage of the diversification of the demands of the developing countries and cope with them in a perfunctory manner, the backlash from the developing countries probably will become stronger.

Practically all of the developing countries were dissatisfied with the results of the Tokyo Round Multilateral Trade negotiations and refused to initial the agreement. But in the Manila meeting, it is expected that they will propose the start of the "developing countries round" respective of the position of the south.

Furthermore, the developing countries are expected to demand the extension of the general special benefits system, promotion of industrial adjustments by the advanced countries so as to open their markets to the products of the developing countries and doubling of government development aid by Japan, the United States and West Germany in three years. On top of that, the developing countries will probably demand revising various international agencies. They want to establish a group of government experts to strengthen the voice of the south as well as an agency to study long-term credit from the north to the south.

There is need for the advanced countries to handle each of these demands with sincerity. This is true, not only for the advanced countries of the

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West, but also for the socialist countries, particularly the Soviet Union and the East European countries. It should be noted that the negative stand of the Soviet Union and the East European countries on the north-south problem has further annoyed the developing countries. Also, China and the Soviet Union should refrain from engaging in fruitless debates at the Manila meeting.

Japan's role at the Manila meeting is very important. This is not only because an UNCTAD meeting is being held in Southeast Asia and Prime Minister Masayoshi Ohira is attending as the first prime minister of Japan to do so, but because he will actually be the representative of the leaders of the advanced countries. Since the north-south problem will be a major topic in the Tokyo Summit which will follow the Manila meeting, Japan's constructive handling of the north-south problem at the Manila meeting, together with the discussions at the U.S.-Japan Summit in Washington, will affect the success or failure of the Tokyo Summit.

Together with the question of how much Japan can reply to the demands of the south, there is the question of how active Japan can be as a bridge between the north and the south.

Providing cooperation and aid to help cultivate human resources in the developing countries, which Ohira will stress in his speech at the Manila meeting, is one way to reply to the demands of the south.

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POLITICAL AND SOCIOLOGICAL

COMMUNIST PARTY ISSUES MAY DAY SLOGANS

Tokyo JPS in English 0854 GMT 1 May 79 OW

[Text] Tokyo, 1 May (JPS)--Following are the May Day slogans of the Japanese Communist Party, issued on April 27:

1. Oppose Liberal Democratic Party politics of reaction, bribery and corruption, which is serving big business and working in subordination to the United States. Open the way for progress and reform in the 1980's by establishing a broad united front based on the three progressive objectives. An antiprogress coalition of the Liberal Democratic, Komei, and Democratic Socialist parties is the way of the LDP to carry through its reactionary policy. To reform the national administration, organize a big movement to seek a national consensus on progress and reform.
2. Stop major companies from arbitrarily "reducing manpower," and make them return their record high profits to the workers and the people. Rebuild the Japanese economy democratically, by changing the industrial and economic policy in favor of the people's interests and by raising the purchasing power of the people and increasing public investments in the interest of the people's living.
3. Stabilize prices, block hikes in public prices, such as national railway fares and tobacco prices, and the unjustifiable raising of prices by major companies, including major oil companies, which are looking for the opportunity to raise oil prices. Substantially reduce the flotation of national bonds to control inflation. Oppose the planned general consumer tax, the worst people-exploiting tax. Reform the national budget administration democratically.
4. Raise workers' wages and establish a national, uniform minimum wage system. Increase employment by restricting overtime and shortening work-hours. Expand public employment projects in the interests of the local people, and guarantee livelihood and work to the unemployed.
5. Oppose malrevision of the Labor Standards Act. For genuine equality between men and women, and for improvement of the status of women. Expand

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and substantiate protection of motherhood, and establish the right of women to work.

Give jobs to youth suited to each one's ability and vocational aptitude. Abolish discrimination in employment, and establish a fair employment system. Give suffrage to all 18-year-olds.

6. Establish a secure price system for major agricultural products as the responsibility of the nation. For multifaceted development of agriculture, providing conditions for a voluntary change-over of farm production. Curb liberalization and expansion of agricultural imports, and raise the self-sufficiency rate in foods. To meet the 200-nautical-mile water zone era, develop multitype fisheries centering on coastal and off-shore fisheries and establish democratic control.

7. Oppose the plan for fundamental malrevision of the health insurance system. For a democratic change in the medical care system. For drastic improvement in the pension system, and for drastic tax cuts for working people and small and medium enterprises. Oppose unjustifiable raising of rents for public housing. Demand large numbers of cheap-rent, good quality public housing.

8. Don't allow the legislation of the Imperial Era name to pass the Diet which would lead to malrevision of the constitution. Oppose political reaction and the revival of militarism as shown in the appraisal of the imperial instructions for military men, and [oppose] making Kimigayo (May the Imperial Era Last Forever) the national anthem. Oppose the plan for malrevision of the Criminal Court Procedure Act aimed at introducing "court trials without defense council." Stop the intrigue of introduction of a small-constituency system. Unconditionally ratify the international covenant on human rights. For complete implementation of the peaceful and democratic clauses of the constitution.

9. Oppose business-ridden electioneering, which violates the constitution. Sweep away all discrimination based on thoughts, beliefs or sex. For freedom and democracy at every workshop. Oppose designated dismissals, as at Oki Electric Co, and develop actions of solidarity in workshops and localities. For complete recovery of fundamental rights of employees for government and public workers, including their right to strike.

10. For sound development of children in mind and body, and a fruitful International Children's Year. Oppose reappraisal of the "Imperial Rescript on Education," making Kimigayo (May the Imperial Era Last Forever) the national anthem, and all biased, discriminative and selective education. For educational reform to raise vital, intelligent and broad-minded children. Elementary, junior and senior high school classes to be limited to 40 pupils, construction of more high schools, elimination of differences of merit among universities, easing of hellish difficulties

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in entrance examinations. Expand the independent people's movement to defend culture from corruption, oppose sex merchandising, violence and murder. For construction of public sports facilities, and expansion of the people's right to engage in sports activities.

11. Oppose Liberal Democratic Party local politics serving big business channelized to [as received] the central government, on the strength of the achievements of progressive forces in the simultaneous local elections, and continue to defend and expand progressive local governments, to safeguard the people's living and rights.

For restoring and strengthening local administrations. Reject transfer of financial difficulties caused by LDP politics onto local governments. Sweep out violence and profiteering by the Asada-Matsui faction of the League for the Liberation of the Discriminated "Buraku" (occupationally discriminated people). For fair and democratic integration of the administration.

12. The McDonnell-Douglas, Grumman and Lockheed payoff scandals are products of dirty relations between big business and the political world. Root out corrupt politics by banning donations from enterprises. Keep out maneuvers of the International Federation for Victory Over Communism, the plotting organization of the South Korean Central Intelligence Agency (KCIA).

13. Oppose the strengthening of Japan-U.S. joint operations. Stop the plot to formulate wartime (emergency) legislation. Oppose reinforcement of the SDF's war power. For abrogation of the U.S.-Japan security treaty and for nonaligned neutral Japan.

Negotiate with the Soviet Union on the return of Habomai and Shikotan islands, part of Hokkaido, to Japan. Abrogate the Chishima Islands renouncing clause of the San Francisco "peace" treaty, and abrogate the U.S.-Japan security treaty, to open the way for the reversion of all the Chishima Islands.

14. (?For signing an international agreement for) banning of nuclear weapons and their use, for removing nuclear bases, for legislation of the "three nonnuclear principles," and building the national unity of the antinuclear weapons movement.

15. Demand China's immediate, unconditional and complete withdrawal of its troops from Vietnam, and an immediate end to its armed provocation and violation of the sovereign rights of Cambodia and Laos. For solidarity with the Kampuchean people who have liberated themselves from the yoke of the Pol Pot regime and are pursuing a policy of peace and friendship for democratic, neutral and nonaligned Kampuchea.

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For solidarity with all peoples in the world struggling against imperialism and reaction, and for social progress, peace and the right to national self-determination.

16. The formation of a progressive united front is the only way to advance the trade union movement. For "independence from capital" and "independence from political party" for trade unions. For genuine unity of the labor front, not based on anticommunism, and opposed to exploitation and oppression, and to defend living and rights.

17. Terrorism against leaders and activists of the Japanese Communist Party and the progressive forces paves the way for another dark age in Japan. The government must strictly suppress violent terrorists. Every violent organization that tries to justify terrorism must be dissolved.

18. Long live the big advance made by the Japanese Communist Party in the recent simultaneous local elections. Respect and thanks to all people who gave support to the Japanese Communist Party and progressive local governments.

19. Open the way to a progressive future for Japan with a big advance of the Japanese Communist Party, which maintains a progressive stand at all times and everywhere, the party which is the motive force of the progressive united front.

20. Long live the 50th May Day. All workers and oppressed peoples in the world, unite.

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POLITICAL AND SOCIOLOGICAL

OPPOSITION PARTIES ISSUE STATEMENTS ON JAPAN'S CONSTITUTION DAY

Tokyo ASAHI SHINBUN in Japanese 3 May 79 morning edition p 2 OW

["Summaries of 2 May statements by Japanese Opposition Parties Marking the 32d Constitution Day on 3 May"]

[Text] Statement by the Japan Socialist Party: While manifesting their determination not to allow Japan to repeat its past mistake, the people have strived to build a democratic, peaceful nation under their present constitution. However, successive Liberal Democratic Party [LDP] Governments have continuously sought to threaten the current constitution by perverting its spirit and even by not holding any commemorative functions for Constitution Day. Due to the expedited efforts by the Fukuda and Ohira cabinets in particular, Japan is now about to return to a status similar to that which existed under the old imperial constitution. This is apparent when we notice the current maneuvers to enact "emergency" legislation, institutionalize a prime minister's visit to Yasukuni Shrine, legalize the use of an era name, change the judiciary system in a reactionary way, and step up "self-defense" capabilities. Our party hereby reaffirms its dedication to the current constitution, based on the spirit underlining the formation of the party, and declares that it will make an all-out effort to protect the constitution and pursue the ideal of the constitution in our daily life and rise up to take the lead in rebuilding the reformist force and create a new political tide in preparation for the 21st Century.

The statement by Komeito: With the ideal of the current constitution in mind, we can notice the following features in the past year's political and social activities. The first is the distinct growth in popular support to for the middle-of-the-road politics as revealed by the recent local elections, which were conducted under the slogan "Let us realize the age of local autonomy." The second feature is a strong popular feeling for the need to shift from case by case welfare steps to overall, systematic welfare measures. The third is the LDP's increased antipeace posture, which is obvious in its successive moves--taken in the grip of

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a revival mood--such as the pursuance of illegal aims through defense arguments, passage of a bill on the Yasukuni Shrine, and the connivance at enshrining the "souls" of Class A war criminals at Yasukuni Shrine. Our party firmly believes that strong social support can be won when it endeavors to make step by step reforms with confidence and through a realistic approach. Our party is determined to make every possible effort to protect the current constitution and realize its ideals.

The statement by Wada, chairman of the National Movement Committee of the Democratic Socialist Party [DSP]: It is gratifying that a growing number of people in Japan now understand the spirit of the constitution; yet, we should not overlook the fact that both the conservative, reactionary force and the communist force are now stepping up their maneuvers to destroy the current constitutional order. We should especially be aware that the communist force talks about the protection of the constitution for merely tactical purposes and it has nothing to do with true freedom and democracy. On the other hand, the corrupt plutocracy as symbolically revealed in the aircraft scandals is incapacitating parliamentary democracy and making people feel the futility of politics. Furthermore, it is extremely regrettable that illegal strikes are being repeatedly staged. Looking at this reality squarely, our party will wage a courageous struggle to protect the constitution and make all efforts to build an ideal nation.

The statement by Kaneko, director of the United Front Department of the Japan Communist Party: We are greeting Constitution Day amid increasing reactionary challenges against the constitution by the government and the LDP. During the past year, there have been successive maneuvers to destroy the peace and democracy articles in our current constitution through "emergency" legislation, admiration for the imperial rescript on education and glorification of the imperial mandate for military servicemen. The rightist, reactionary promoters of "era name" legislation say that, when enacted, the "era name" bill will mark a milestone toward the rewriting of the constitution. Thus, this bill directly conflicts with the doctrine that sovereignty rests with the people. Anticommunist middle of the road parties such as Komeito and the DSP are following and cooperating with these maneuvers. While severely criticizing those maneuvers by the Ohira Government and the LDP, our party will struggle to implement the peace and democracy articles in our current constitution. An urgent national task is to crush reactionary challenges against our constitution. Our party calls on the democratic force and the people to develop the struggle for this national task into a broad, joint reformist campaign.

The statement by the United Socialist Party: We are commemorating the 32d Constitution Day since our present constitution was put into force, proclaiming Japan's renouncement of war and pursuance of peace. On this occasion, our party is resolved to renew its efforts to create a society in which citizens can fully enjoy peace and their freedom and rights as guaranteed by this constitution. As political ruler of this country, in

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conflict with the tide of the times, the conservative LDP government has long maneuvered to change this constitution. The Ohira government has now been attempting to prolong the current Diet session to enact "era name" legislation. It connived at enshrining the "souls" of 14 Class A war criminals at Yasukuni Shrine last fall. All this conflicts with the tide of history. Our party will bitterly oppose these maneuvers, hoping that through the citizens' own efforts the spirit of the constitution will be embodied in our daily life.

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15
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POLITICAL AND SOCIOLOGICAL

JCP'S MIYAMOTO TO VISIT HANOI BEFORE AUTUMN

Tokyo MAINICHI SHINBUN in Japanese 30 Apr 79 Morning Edition p 1 OW

[Text] According to a Japan Communist Party [JCP] source, JCP Chairman Miyamoto appears to have firmed up his plan to visit Vietnam sometime before the fall. If the visit materializes, complying with a recent VCP invitation extended to "the JCP's highest-level leader to visit Hanoi," it will be the first visit by the JCP chairman to the Indochinese country since its unification. The JCP recently reconciled with the CPSU for the first time in 15 years and Chairman Miyamoto is expected to visit Moscow before the end of this year for talks with General Secretary Brezhnev. The JCP's moves to strengthen ties with the Soviet and Vietnamese communist parties are expected to have a subtle effect on the Asian situation which is influenced by the Sino-Soviet confrontation.

The JCP source was cautious about revealing when Miyamoto will visit Vietnam, saying that the party wants to avoid unnecessarily irritating China at a time when China and Vietnam are holding vice foreign ministerial talks on the border dispute. The timing of the visit seems as yet undecided because it conflicts with Miyamoto's visit to Moscow, but the party seems to be studying the possibility of effecting the visit before the general elections--expected to be held in autumn--after seeing how the Sino-Vietnamese talks develop.

Although the JCP and the VCP are exchanging delegations to each other's congresses, Miyamoto's planned visit shows the JCP's desire to strengthen ties with the Vietnamese party. Miyamoto last visited Vietnam before the country was unified.

The Japanese and Soviet communist parties have been supporting Hanoi in the Vietnam-Cambodia dispute and the Sino-Vietnamese conflict and severely denouncing Beijing for its "hegemonist actions." If and when Miyamoto visits Hanoi and holds a summit meeting with General Secretary Le Duan, the two party leaders are likely to exchange views not only on party-level questions such as promoting friendship between the two parties, but also on the Sino-Vietnamese conflict, the relationship between Indochinese countries and the Association of Southeast Asian

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Nations (ASEAN), other Asian situations as well as on the international communist movement. At the end of their talks, the two leaders are expected to issue a joint statement.

The JCP source said: "It is natural to call for respect for each other's independence and sovereignty, noninterference in each other's internal affairs and a negotiated settlement of disputes as matters of principle agreed upon by communist parties of other nations." Thus, a joint statement is likely to make a denunciation of China as its keynote.

In China's eyes, this strengthening of relations between the Japanese and Vietnamese parties following the recent JCP-CPSU rapprochement will certainly be mirrored as "an alliance against China by the three parties" and is most likely to invite Beijing's strong opposition.

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17
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MILITARY

UPGRADED AIR DEFENSE FORCE PLANNED IN NEXT FISCAL YEAR

Tokyo ASAHI EVENING NEWS in English 1 May 79 p 3 OW

[Text] Defense Agency Director-General Ganri Yamashita outlined Saturday the next fiscal year's defense buildup program which features plans for upgrading the nation's air defense capabilities.

The draft program serves as the basis for the agency's budget requests for the next fiscal year. Yamashita showed it to self-defense force chiefs of staff the same day.

The most important feature of the nation's defense buildup program for fiscal 1980 (April 1980-March 1981) will be the initial preparations for the introduction of the new base air defense ground environment system (BADGE) and missiles to replace the present Nike and Hawk missile system.

The present BADGE, installed in 1968, combines 28 radar sites and four air-defense command posts to ensure early warnings of unidentified aircraft invading Japan's air space and enables authorities to decide which airbase's interceptors should be sent to meet the invaders, through the help of computer in BADGE setup.

However, with the appearance of the latest military aircraft equipped with more powerful airborne computers, the present BADGE has become obsolete due to the limitations of the computer memory capacity. Consequently, the Defense Agency has decided to replace the present BADGE with a new one over the period between fiscal 1983 and 1985.

The replacement is estimated to cost more than \$100 billion. In fiscal 1980, the agency plans to start the preparatory work such as designing the new BADGE setup. This will cost a few hundred million yen.

The program for the introduction of new air-defense missile system is to counter an improvement of the air-to-ground missile capacity of Soviet Far Eastern forces.

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Other proposals outlined for fiscal 1980 included equipping maritime self-defense force destroyers and submarines with torpedoes even in time of peace and keeping the ships prepared to use mines.

The draft program for renovating the nation's defense system also includes a proposal for deploying an armored division in the nation's northernmost island of Hokkaido in an effort to strengthen its anti-tank combat capabilities.

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ECONOMIC

FOREIGN EXCHANGE DECONTROL EYED FOR FALL

Tokyo THE DAILY YOMIURI in English 30 Apr 79 p 4 OW

[Excerpts] Japan's tight, complex foreign exchange controls, the target of much harsh criticism abroad, are due to be dropped for the most part this fall if the government's plans go through as scheduled.

New legislation to replace the present foreign exchange, trade and investment laws has been drawn up by an advisory committee to the Finance Ministry and the International Trade and Industry Ministry.

The government plans to submit the bill to the Diet in early May, just after the Golden Week [from 28 April to 6 May] holidays, and hopes to have it enacted in time for the Tokyo economic summit in late June.

Since numerous ordinances and administrative regulations must be revised, application of the law would not come into effect until this fall at the earliest.

The new bill would merely bring formal legislation more into line with current realities and practice, eliminate a good deal of needless red tape and paperwork and help bring Japan into a more tolerable alignment with the rest of the world, particularly the West, on financial matters as well as trade.

In concrete terms, what will the new legislation do? It lays down the general principle that there will be no controls on foreign exchange, providing for restrictions only in emergencies and special cases.

Emergency Situations

The emergencies in which controls may be applied are when there are:

- Extreme fluctuations in exchange rates.
- Huge deficits or surpluses in the payments balance.

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--Such an inflow or outflow of funds that credit policy may be negated.

These emergencies have been specified in the bill itself so as to avoid charges from abroad of possible abuses of administrative discretion in the application of the new law.

In capital transactions, business firms in Japan will be able to borrow and lend abroad freely. Medium- and long-term loans will require only prior notice to the authorities.

This will also apply to direct overseas investment and also to incoming foreign investment except in four sectors such as primary industry.

The purchase and sale of securities will be decontrolled, and the floating of foreign securities in Japan will not require official clearance except in special cases.

In trade, the standard settlement system, usually requiring a letter of credit, in export transactions will be dropped as will be that of prior notifications and official clearance of export shipments.

This requirement, however, will be kept for small-scale exporters dealing in textiles and light sundry goods.

Export of Credit

On export of credit, the limit now of six months, over which official approval is required, will be raised to more than one year. This alone will reduce the administrative case load of such deals from 15,000 annually to 600.

Deals of more than 1 million yen each between a firm in Japan and its branch or subsidiary abroad now require transfer of funds through a bank instead of a simple bookkeeping settlement. This ceiling will be raised gradually.

There are numerous other similar measures which will be taken toward decontrol.

For example, the maximum which an individual Japanese can hold in a bank deposit overseas is 3 million yen. This ceiling will be abolished.

The new legislation is aimed largely at appeasing critical opinion abroad.

The banks, larger business firms and wealthy individuals with interests abroad also chafe at the present restrictions, red tape and paperwork and the costs and delay involved.

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If matters go as the bill declares in its statement of principles, Japan will be moving into a new era in which there will be a freer flow in and out of money, as well as goods and services, that will serve to break down further the closed aspects of its economy.

Possible Barrier

How fast and far developments go depends, as always in the case of Japan, on how the authorities administer the law.

There is, however, a basic conflict between the new legislation and the tightly controlled domestic financial system, and whether foreign exchange decontrol will help to bring about liberalization as well in domestic finance remains to be seen.

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ECONOMIC

MITI TO THROW WEIGHT INTO GENERAL AVIATION INDUSTRY

Tokyo NIKKAN KOGYO SHINBUN in Japanese 2 Feb 79 p 2

[Editorial: "Issue of Small Aircraft Industry Promotion"]

[Text] The Ministry of International Trade and Industry (MITI) has decided to actively promote the small aircraft industry. Development of small aircrafts capable of carrying few (upwards of a dozen) passengers--charter crafts which do not belong to regular major airlines, private planes belonging to businesses and individuals, sight-seeing, inspection and agricultural use aircrafts and so on--and the development of related industries are the main targets of this MITI undertaking. Thus, after the new year and if possible, during April, MITI is planning to establish a Small Aircraft Research and Development Committee (temporary designation) within the Society of Japanese Aircraft and Space Industry Contractors [?] and to work out a policy direction with both the state and the civilian sectors cooperating.

The aircraft industry is a valuable and necessary tool for maintaining and advancing our country; and yet, in reality, it is dominated by defense requirement. In the civilian aircraft sector, the development plan for a jet passenger craft YX--a Japan-U.S.-Italy cooperative venture is about to really get underway. In addition, the development/encouragement of small aircraft industry would expand the basis of the general aircraft industry and contribute to its growth.

Behind the MITI's decision to emphasize promotion of small aircraft industry is the issue of reduction of customs duties on aircrafts resulting from the "Tokyo Round" (Multifaceted Trade Negotiation). Already, there is a basic agreement between Japan and the United States to work toward complete removal of customs duties on aircrafts and the only remaining agenda item is a negotiation with the EC (European Community). With the implementation of mutual reduction of customs duties, the Japanese small aircraft industry is deliberating ways to strengthen its international competitive power. Another aspect of this situation is future opportunity for exportation--say to the United States.

It is said that in the United States there are 185,000 small aircrafts of the above noted description. Air time per year for such aircrafts is approximately 2,000 hours and its "operation ratio" is quite high. The U.S. aircraft

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industry as a whole has just about conquered business stagnation resulting from the Petroleum Crisis. The general aviation category--small aircrafts related industry--in particular, has been doing very well. Recently, it has grown into a 17,000 aircraft per year, 1.5 billion dollar market stature. The arterial routes between big cities are dominated by air buses which enable low cost, large volume transportation. But there is a view that with the rise in income level and maturation of society, air transportation needs will become diversified and the popularity of small aircrafts--to be used much in the same way as taxicabs and private cars--will take hold.

Japan's star industries--automobile and television--were late-comers on the international scene. They achieved their success in small model sectors and firmly established their position therefrom. A small aircraft promotion policy which would lead to full utilization of applied technology--a Japanese speciality--and manufacture of efficient small aircrafts ought to be considered. We do have the technology to do it. Whether or not this field can develop fully in Japan is rather dependent on factors relating to actual operation. The first order of business is to accurately grasp the overcrowding of the sky situation. It is essential for the Ministry of Transportation, Ministry of Construction and other related government agencies to cooperate in thoroughly examining such topics as air traffic regulation, consolidation of airports and noise control policies.

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ECONOMIC

PETROCHEMICAL INDUSTRY TO SCRAP AND REBUILD PLANTS

Tokyo NIKKAN KOGYO SHINBUN in Japanese 31 Jan 79 p 8

[Text] Japan's petrochemical plants are beginning to be superannuated. According to a survey conducted by the Ministry of International Trade and Industry (MITI) in reference to 11 items to be discussed at the Petrochemical Conciliatory Conference, the average age of plants was 9.3 years. Taking 15 years as the life span of a petrochemical plant, the majority of facilities are close to the end of their existence. The average age of ethylene plants was 8 years. Though this category registered below the total average, the plants producing the leading products--high pressure polyethylene, polystyrene--were 11 years old. It is estimated that these plants will be the focus of "scrap and build [rebuild]" activities in the future.

As a result of drastic decline in demand for petrochemical products following the Petroleum Crisis ("Oil Shock") of October 1973, there has been almost no new construction or expansion of petrochemical plants. Consequently, plants belonging to various firms have gradually become superannuated, and they are beginning to show their age. The depreciation rate for most of them is now over 50 percent.

The tendency toward superannuation was clearly revealed in the MITI survey, also. SBR (styrene butadiene rubber) plants headed the list with an average age of 13 years. High pressure polyethylene, polyethylene and BR (butadiene rubber) plants were 11 years old; acrylonitrile, aceto-aldehyde plants were 10 years old. Mid/low pressure polyethylene plants were 9 years old; and polypropylene, styrene monomer and ethylene oxide plants were 8 years old. That is to say, all the plants have reached middle age.

The reason that the ethylene plants (average age--8 years) are so youthful in comparison to others is due to the fact that Ukishima Petrochemical's Second Plant (annual production--400,000 tons) and Showa Petrochemical's Tsurusaki Plant (annual production--300,000 tons) have been completed since year before last. The rest are believed to be quite old.

Against the backdrop of superannuation of petrochemical plants and recovery of demand for petrochemical products, the various manufacturers are now beginning to focus their attention on scrap and rebuild activities. Showa Petrochemical scrapped its mid/low polyethylene plant in Kawasaki and replaced it with a new facility in Tsurusaki. Following this lead, Sumitomo Chemical is examining a proposal to move its high pressure polyethylene facility from Niimahama to Chiba in an effort to concentrate its operation. Mitsui Petrochemical, too, is hurrying toward suspension of its Iwakuni Otake Ethylene Plant. Starting this year, the petrochemical industry is expected to become busily engaged in the scrap and rebuild activities.

Table: Average Age of Petrochemical Plants

	<u>Depreciation Rate</u>	<u>Average Age</u>
Ethylene	68%	8 years
High Pressure Polyethylene	70	11
Mid/low Pressure Polyethylene	64	9
Polypropylene	69	8
Polystyrene	60	11
Styrene monomer	60	8
EO	62	8
Acrylonitrile	72	10
Acetaldehyde	76	10
SBR	67	13
BR	75	11
IR	43	6

Note: MITI Survey of 1 August 1978. Figures have been compiled from capacity weight.

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ECONOMIC

CRITICISM AGAINST EXCESSIVE PROTECTION OF AGRICULTURAL INDUSTRY INCREASES

Excessively High Prices

Tokyo NIHON KEIZAI SHINBUN in Japanese 4 Feb 79 p 3

[Text] Agricultural Administration at Turning Point

Criticism Against "Excessive Protection" Becoming Loud in Business and Labor Circles, With Fear of Inflation in the Background

Food prices remain far above the international level. Isn't it natural that they should go down? Isn't the agricultural administration spending too much money? Recently, there is growing criticism against agricultural administration in business circles and among labor unions. The agricultural administration, which has been inclined to protect the producers, is now confronted with the necessity of undergoing an important about-face.

Consumers' Voice Ignored

US Senator Hayakawa, who came to Japan in November last year, said, with an amazed look, as follows: "Why must Japan restrict food imports, until food prices at home become so high as at present? In Japan, consumers' voices are not reflected in politics. Labor unions are demanding an increase in wages. They do not, however, argue for an increase in the purchasing power of their wages."

True, the demands of Japanese labor unions have been centered on wage increases. Confrontation between labor unions and producers' organizations over the prices of agricultural products has not been conceivable. One instance is the problem of the rice price. Labor unions and producer organizations fight together, for the common purpose of "raising the producer price and keeping the consumer price at the present level." Today, however, "joint struggles between workers and farmers" have begun to disintegrate.

Deputy Secretary General Masao Uenishi of Domei (Japanese Confederation of Labor) says as follows: "Agriculture has been protected excessively. The

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rice price should go down, in the light of the principles of the market economy." According to him, "The wage problem must be studied in connection with the level of prices, and it is useless to discuss this problem separately from other problems."

Business circles, too, are becoming more and more irritated at the excessive protection of agriculture. All such business organizations as Keidanren (Federation of Economic Organizations), Doyukai (Japan Committee for Economic Development) and Nikkeiren (Japan Federation of Employers Associations) have begun to make rigid demands on agricultural administration since last year.

"It has become necessary to carry out a fundamental reform of the price structure, which has been separated from the international level by protective measures" ("The Present State and Medium-Term Prospects of the Japanese Economy," published by Keidanren on January 23).

"The policy of protecting agriculture has now become a heavy burden to be borne by the national economy. The government should make a one-step advance toward solution of this problem" (The New Year statement of views, issued by Doyukai on January 10).

"We want to request strongly that the government foster Japanese agriculture as an industry which can gain international competitive power by its own efforts" (report made by Nikkeiren's Committee on Wage Problems on December 14, last year).

Excessively High Prices of Agricultural Products

Particularly enthusiastic is Doyukai. It is said that this organization will form a study group, including labor unionists and economists, in the near future, to draw up a proposal about this autumn. This is the sixth proposal to be made by Doyukai concerning agricultural problems, since the first proposal of this kind was made in April, 1960 (in the form of a statement of views on Japanese agriculture). Also it was seven years ago, or in November, 1971, that the previous, or fifth, proposal was made (under the title of "Posture To Establish a Green Plan for the 21st Century").

Background 1: This is the feeling of anxiety over inflation. Attention will be focused hereafter on whether the trend of business recovery will make progress autonomously. It is the trend of prices which holds a key to such progress. If inflation occurs, the tempo of increase in consumption will slow down.

There are not a few factors to worry about. For instance, land prices are rising steadily, the amount of currency in circulation is increasing, and public utility charges are being raised. Because of such a situation, many people are seeking a reduction in food prices.

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"For both employers and labor unions, it is important to stabilize wages. If inflation occurs, however, it will become impossible to do so. In the period of rapid growth, it would be possible for us to make up for the increase in costs by the improvement of productivity. At present, private enterprises are most fearful of inflation. Of the prices at present, the price of agricultural products are noticeably high" (Deputy Representative Secretary Seichi Yamashita of Doyukai).

Background 2: This is the controversy over real wages. Criticism against agricultural administration among labor unions was touched off by the rise in the yen rate. In spite of the rising yen rate, food prices at home did not go down. Nikkeiren contended that "Japanese wages have reached the highest level in the world." As a matter of fact, however, the people did not feel so at all. Such a situation, which gave rise to the view that "The yen is strong abroad but weak at home," is attributed to the excessive protection of agriculture and the maintenance of trade restrictions.

Also it may be true that the criticism against agricultural administration is connected with this year's spring labor struggles. Some people think that "Labor unions have been taken for a ride on the employers' argument for curbing wage increases." Furthermore, criticism against agricultural administration in labor circles is led by the labor unions under the influence of Domei, and not a few members of Domei are the labor unions of those enterprises which are dependent on such exports as automobiles. It may be true, therefore, that these labor unions think that "We are suffering from the rise in the yen rate, because the government is not willing to liberalize agricultural imports."

"The real purchasing power of the yen is becoming smaller and smaller than that of the currencies of other advanced nations. In Japan, the decline in the real value of the currency has become all the more rapid, due to the abnormally high level of the prices of agricultural and live-stock products and housing. All restrictions on agricultural imports, with the exception of rice, should be abolished as early as possible, for complete liberalization of such imports" (Domei's "On Wage and Policy Struggles in Fiscal 1979").

Economical Character Desired of Food Control System

Background 3: This is a financial administration crisis. Agricultural administration is expensive in character. A typical instance is the money which the government must spend on rice. Every year, the government is spending ¥700 billion or ¥800 billion, to make up for the losses incurred by its sale and purchase of rice. For the settlement of the oversupply of rice, too, it must pay a sum of ¥900 billion. Furthermore, the government offices in the field of agricultural administration are overstaffed. Japan today cannot afford to provide funds to be wasted.

"In Japan, the price of rice is five times as high as that in Thailand, and the price of beef, too, is five times as high as that in Australia. Underlying such a situation, we think, is the excessive policy of protecting

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agriculture. Is the existence of 600,000 officials in charge of agricultural administration very helpful to the improvement of productivity in the field of agriculture, where there are 600,000 households engaged solely in agricultural pursuits?" (report made by Nikkeiren's Committee on Wage Problems).

"It is necessary to support the prices of agricultural products. The support should be given, however, from the national economic standpoint and in accordance with the principle of rationality. It should be studied, in accordance with the new direction to be followed by agriculture, how to introduce economical efficiency into the food control system."

This argument, which is likely to be accepted, without modification, as a demand on agricultural administration, is included in the first proposal made by Doyukai in 1960. This proposal was drawn up by Tadashi Sasaki, who at that time was seated on the Board of Directors of the Bank of Japan and also serving as Representative Secretary and Chairman of the Agricultural Policy Committee of Doyukai. The year 1960 saw the occurrence of a controversy over the enactment of an Agriculture Basic Law (enacted in June, 1961) and the resultant development of discussions on what agricultural administration should be. With the lapse of 19 years since that time, the agricultural problem is again attracting popular attention. Sasaki says that "Agriculture at that time still had a more romantic vision than at present." What has agricultural administration been doing during this period?

Sasaki Holds Prices Kept Too High, and Argues for Relaxation of Import Restrictions; Amaike Gives Top Priority To Improvement of Productivity, and Urges Reform of Food Control System

Keizai Doyukai (Japan Committee for Economic Development) has decided to tackle agricultural problems. It says it wants to draw up a proposal this autumn, at the latest. On the other hand, Domei (Japanese Confederation of Labor), which is a labor organization, is showing a posture to make demands on agricultural administration. For instance, it has included the liberalization of agricultural imports in the goals for its struggles in fiscal 1979. On this occasion, we sought the opinions of Tadashi Sasaki, representative secretary of Doyukai, and Seiji Amaike, chairman of Domei, on such problems as what agricultural administration should be.

Sasaki

Future Vision Not Yet Found

Question: First of all, why is Doyukai going to tackle agricultural problems?

Answer: Agricultural problems are important because of their connections with such other problems as prices and employment as well. Recently, Doyukai was becoming inclined to study agricultural problems. As a result, it has decided to tackle these problems. It may be said that Doyukai is going to search for a way to the rationalization and modernization of Japanese agriculture. We want to make a proposal, upon unification of opinions within our organization.

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Question: Doyukai is going to make a proposal concerning agricultural administration for a sixth time, since it presented its first proposal (a statement of views on Japanese agriculture) in 1960. What is your view on the present situation, as compared with that at the time when the first proposal was made?

Answer: At that time, Japanese agriculture was not yet in such an extreme state as at present. It still retained its flexibility. So, it was possible for Doyukai to clarify a future vision in its proposal.

Now, however, Japanese agriculture has come to the wall, and it is difficult for us to find a solution to the problems confronting it. The situation has already reached a point, where rather drastic measures must be taken, even for the solution of the problem of rice alone. It is useless to argue about what it is impossible to do in practice. Yet we feel that something must be done.

Question: Does the biggest problem lie in the high prices of food?

Answer: Yes. This problem has primary importance. Food prices in Japan are higher than those in other countries. Eggs are perhaps the only item which is lower-priced than in other countries. It is because of the high prices of food that the agricultural problems are now attracting the attention of various circles. Wages do not increase, because the profits of enterprises have fallen. On the other hand, living expenses are high. I think that such a situation is not endurable for the labor unions.

Question: The rice price, too, has risen, while there is an oversupply of rice.

Answer: Such a strange situation occurs, because the government continues forcible measures, without touching upon the root of the existing system. It is necessary to support prices at a certain level. Farmers' income must be kept at a certain level, like that of the workers. In running the national economy, it is important to maintain the purchasing power of these people. However, it will rather give rise to difficult problems, to keep prices at an unnecessarily high level. For instance, food prices in Japan have become extraordinarily high, in comparison with the international level. We do not think that it is objectionable in itself to support prices. The problem lies in the fact that prices are kept at a high level.

Labor Force Can Be Absorbed

Question: Will the liberalization of agricultural imports become unavoidable, if food prices are to be lowered?

Answer: Yes, it will become unavoidable, as far as food prices alone are concerned. An advisable direction to be followed hereafter is to relax the

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import restrictions. It is difficult, however, to make a good plan to follow this direction, while maintaining the farmers' income at the present level. Manufacturing industries have gained international competitive power by the development of technology. Agriculture, however, cannot do likewise, because its production depends on nature. This is a difficult point of the agricultural problems. However, it is too nervous to think that dire consequences will follow, if liberalization is carried out.

Question: Will it not become a problem, however, that an oversupply of manpower, which is not to be absorbed into any field, will occur in the agricultural areas, if a reform of agricultural administration is carried out?

Answer: The so-called tertiary industries vary widely in character. Of these industries, those connected with cultural work and the collection of information are destined to develop hereafter. Such industries are called the "quaternary industries." The leisure industries are called the "quinary industries." In these industrial fields, the number of jobs is increasing, as a matter of fact. It is possible, to a certain extent, to have the increasing supply of manpower (from agricultural villages) absorbed mainly into the field of the quaternary and quinary industries.

Amaiike

Part of Efforts for Maintenance of Present Real Wages

Question: There is the impression that the labor unions, too, are becoming more and more critical of agricultural administration recently....

Answer: One problem is the rise in the yen rate. Nikkeiren (Japan Federation of Employers Associations) contends that "Japanese wages have reached the highest level in the world." However, the purchasing power of the yen within the country has not increased at all. In such a situation, the prices of agricultural products and the distribution structure are necessarily taken up for discussion. The high yen rate will produce greater effects, if agricultural imports are liberalized further.

Question: Why has Domei taken up agricultural problems in its spring struggle plan?

Answer: It cannot be said that such problems as foreign trade and agriculture have nothing to do with labor unions. We cannot remain silent indefinitely toward the high prices of food. This is a problem which cannot be separated from our demands concerning the policies of the government. For the maintenance of real wages at the present level, too, it is necessarily argued that "Food should be imported from abroad at lower prices." This cannot be done in a short time. Yet it is still necessary to carry out a fundamental reform of the present agricultural administration.

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Question: What concrete measures should be taken?

Answer: Japan's primary industries are placed in a more or less disadvantageous position, in comparison with those of other countries. So it is necessary to grant protection to them to a certain extent. It is not permissible, however, for the primary industries to rely solely on protection and neglect efforts to improve their productivity. In the case of beef, too, we do not think that consideration for the future of Japan's live-stock industry is not necessary. We should probe the possibility of importing cheap beef from abroad and granting the profits accruing from such imports to the farmers, as a subsidy for the improvement of the productivity at home.

Question: What is the biggest problem?

Answer: It is perhaps the food control system. Without this system, the rice price should go down further. Friction will occur, if some extreme measures are taken at once. As long as this system remains as it is, however, we must "wait one hundred years for the waters in the Yellow River to clear." I think that a drastic reform of the food control system must be carried out.

Question: In what way should the system be changed?

Answer: It should be changed in a way to increase the amount of rice on free sale. It will cause trouble, however, to permit the price of rice on free sale to fluctuate violently. It is advisable for the government to control such fluctuations.

No Enmity Harbored

Question: What kind of movements does Domei intend to start hereafter?

Answer: As a labor organization, Domei wants to make demands also on agricultural administration, which has bearing on the people's livelihood. Of course, we must consider the position of the farmers. We have no intention of treating the farmers as our enemy. Talks must be held among the consumers, producers and the government, on the basis of mutual understanding, on how to increase the productivity of agriculture. It is not the farmers alone who must be blamed for such problems as the method of rice production and the food control system. It is rather correct to say that the governments to date maintained their power with the support of agricultural villages, and neglected efforts to establish progressive policies.

Question: The labor movement, which was centered on struggles for higher wages, has undergone a considerable change.

Answer: It is important for labor unions to step up their movements from a broad point of view covering the whole of society. To date, labor movements based on such a viewpoint have made little progress. Consumers, too, must make earnest efforts to make their movements more powerful than at present.

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Is the Farmer's Vote That Important

Tokyo SHUKAN SHINCHO in Japanese 1 Mar 79 p 26

[Text] "Japan's overprotected agricultural administration is an international anachronism."

It is difficult to understand why Japan's consumers remain silent even when they are forced to eat rice priced five or six times higher than the world price.

The United States attacked Japan, making the abnormality of Japan's agriculture the object of its assault in the U.S.-Japan negotiations on agricultural products, which had continued uneasily for more than a year until the end of last year.

Whether eyes were opened by such U.S. agitation or not, there is a feeling that criticism against agriculture has intensified recently throughout the country.

Questions were raised successively on trade and agricultural products' pricing from groups in the business world, such as the Keidanren (Federation of Economic Organizations) and the Nikkeiren (Japan Federation of Employers' Association). And labor unions, which have been sympathetic to the farmers until now, began to loudly attack agriculture by saying: "Agriculture has been protected too much."

Moreover, even among the government agencies, officials began to gang up on the agricultural administration with the Administrative Management Agency advising a clean-up of the Ministry of Agriculture, Forestry and Fisheries' feed and soybean reserve system and advising work on improving the system.

Finally, a situation, altogether unthinkable until now, has appeared where agricultural cooperatives, which are pressure groups personifying "bulldozer," are beginning to talk of an intensification in rice acreage reduction.

However, despite such fierce criticism, a positive move to change over the agricultural administration cannot be seen from any of the political parties, including the LDP, or from the all-important Ministry of Agriculture, Forestry and Fisheries.

We don't need to be told by the U.S. that Japan's agricultural policy is the most dishonest in the world in that ridiculously high agricultural products, compared to international prices, are being forced on the consumer, a result of the fact that piling on protections for producers shuts out any mechanism for a free economy.

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For example, let's take a look at oranges, which we have to say are typical of the "not allowed" administration, the same as with rice and beef. At the end of last year, the biggest question at the end of the U.S.-Japan agricultural products' negotiations was a liberalization of orange imports, which the United States strongly requested. It would have been good news for the consumer if the import of America's inexpensive, good-tasting oranges were to be liberalized, but the officials of the Ministry of Agriculture, Forestry and Fisheries, including Ichiro Nakagawa, minister at that time, reddened and resisted. They were able to have their own way toward the U.S. in exchange for allowing a slight increase in the amount of orange import.

They would say, "To make matters worse, if good-tasting oranges were to be imported at a time when we are experiencing difficulty in dealing with the surplus production of Unshu oranges and growers are having to make them into juice, the growers wouldn't be able to survive at all." But the point is, if Japanese can produce oranges delicious enough not to lose out to American oranges, they should not fear something like the liberalization of imports.

If orange growers fails to improve their product without making any effort, and orange production is geared to making quick profits--with no consideration given to consumers--and if the government insists on protecting the growers, then Japanese agricultural industry will only become corrupt.

As it is said that two-thirds of the LDP Diet members are members from rural areas, recent successive prime ministers all held their seats from a base in the agricultural communities. Thus, for the sake of the farmers, who are 20 percent of the population, the other 80 percent of the population is in the predicament of having to eat "expensive and tasteless food."

Prime Minister Ohira, also from an agricultural community, was pleased to say in his speech on administration policy that "the economy-centered era has ended; now it is the era of culture." However, forcing this kind of poor dietary life on the people, there will not be any "culture."

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Hasten a Change in Agricultural Administration

Tokyo ASAHI SHINBUN in Japanese 5 Mar 79 p 3

[Interview with Seiji Amaike, president of the Japan Confederation of Labor (Domei), who was born in Tokyo and graduated from Higher Elementary School. He began a labor union movement at a town factory in Kawasaki; entered the Japan Confederation of Labor (Domei) in 1929; was mainly active in the ironworkers' union in Kanagawa Prefecture. After the war, he returned as a full-time active member of the Domei, which had been rebuilt, and, in 1959, became general manager. In 1964, he became secretary-general of the Japan Confederation of Labor at the time of its formation. He has held his present post since 1972. He is 64 years of age.]

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[Text] [Question] Domei is insisting on a change in the agricultural administration, in connection with this year's wage increase demands. There has been criticism of the agricultural administration before the business world and consumer groups, but I thought it unusual for the labor unions to make demands on the agricultural administration.

[Answer] Beginning from its view on price controls, the Domei actually has stressed even until now an "anti-monopolistic prices" position and an "anti-opportunistic price increase" position, as well as having emphasized the "Hastening of the modernization of agriculture and its distribution system." This (lack of modernization) is the biggest reason for the obstruction of consumer price controls. The fact that lately we have paid attention to the way the agricultural administration should be is but one part of the subject of price control. Besides that, we are making demands for policies on public utility fees and on the land and housing problems. Domei has not aimed solely at bringing down prices on agricultural products.

Low Purchasing Power

[Question] In this year's labor battle plans, decided at the convention Domei urged "the quick and complete liberalization of agricultural products except rice." I have heard this is the first time such a thing has happened.

[Answer] Yes, this is the first time it was stipulated. What we in Domei have discussed for a long time until now came out into the open and became a strong demand. To give the gist of the details, at the time of high level growth, the manufacturing industry's productivity increase was remarkable; the people's lives improved on the whole, while compensating for the archaism of agriculture and its distribution. But, with a change to an era of low growth, the steepness of food prices, hidden until now, is pulling down the citizens' standard of living. I think this has started to attract the laborers' attention as an urgent topic.

An international comparison of wages and prices has been discussed much lately. With the yen's recent, sudden increase, Japan's wage standard has reached the world's highest level, surpassing France and the UK and ranking alongside the U.S. and West Germany. However, this is the result of expressing in dollars wages that are paid in yen; this is only a nominal level. Nominal wages are high, but what about real wages, looked at from their purchasing power? Various figures are given on how to take the exchange rate. But, based on the results of the Japan Federation of Employers' Association's (Nikkeiren) survey, they are limited in actual power to only half that of the U.S. and West Germany. They still have not equalled that of France and the UK. If one asks why this is so, one reason is because, compared to Europe and the U.S., Japan's agricultural and livestock prices are extremely high. According to a survey from October of the year before last, Japan's beef prices are about five times those of the U.S.; pork, 2.5 times; fish, four times; cabbage, double the price.

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[Question] The Nikkeiren said the following in its report on the wage problem. "Before, the General Council of Trade Unions of Japan (Sohyo) displayed as its spring labor battle slogan: 'Give us the standard European wage!' That demand has now been met completely."

[Answer] That is the nominal wage calculated from the exchange rate. But that is meaningless to the laborer, unless, when he uses his money, the real value has risen. Why is the national purchasing power of the yen so weak? I think that, from the actual experience of life, people are acquiring sharper eyes to observe agricultural product prices.

[Question] Now the Sohyo is saying: "Give us a real wage equal to Europe's."

[Answer] Domei has been demanding an increase in real wages. Of course, the demand for "real wages the same as Europe" is a great thing. However, we have to work hard in our own way. It will be difficult to realize those "real wages the same as Europe" if we are against increased productivity, as is the Sohyo.

[Question] One view of the reason why Domei has begun to say "reduce agricultural product prices through liberalization" is because there are many export industries and depressed industries in some of the labor unions belonging to Domei.

From the managers' viewpoint, there is little margin for giving even the nominal wage because wage costs have already risen in international competition. From the labor unions' viewpoint, there is a sense of actueness that "the cost of living is higher even though wages have gone up only a little."

Also, import restrictions on agricultural products is intensifying international economic friction. Moreover, does that not result in bringing about a rise in the yen? Isn't that also a concern of the union members?

[Answer] The Domei has consistently emphasized free trade. The basis is eliminating a protectionism and building up a structure for international cooperation. If we repeatedly have one country refusing to import agricultural products and, to counteract that, the other country refusing the import of manufactured goods, protectionism will come about. Japan's economy cannot materialize in such a situation.

For all that, we are not saying, "Let's sacrifice the farmer of agriculture in order to increase exports of manufactured goods." The problem is the abnormally high price of agricultural products. They were extremely high before the sudden rise in the yen. It cannot be denied that this was based on a policy of excessive protection of agriculture, and that it resulted from the fact that the overprotected agricultural administration delayed the modernization of agriculture. Changing this kind of agricultural administration, let's plan for the acceleration of agricultural modernization. We want the reform of various kinds of aid systems to advance modernization. If that happens, they will secure a self-supporting system for their agriculture,

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and offer low-priced agricultural and livestock products to the citizens on a stable basis. This is the core of our demand. We are not simply saying: "Liberalize!"

Capital From Tariffs

[Question] But, a "quick and complete liberalization of agricultural products except for rice" seems to be a bold proposition. There must be strong resistance from the farmers who say: "If there is liberalization, livestock raisers and orange growers will be destroyed."

[Answer] There may be some misunderstanding because the presentation of our policy demands were somewhat simple and brief. But, in no way are we thinking about import liberalization so as to destroy agriculture. For example, I think the following is a method of doing it. First of all, we abolish limitations on the amount of imports of agricultural products except for rice. At present, we levy tariffs so high that agricultural product prices do not come down in this country. If we apply that tariff income as capital for modernization, we grow to the point where we can have an international competitive power. Keeping pace with this, we reduce the tariff rate little by little until it is zero in 10 to 20 years. In short, deciding a course to take and then acting this way, there should be a policy for liberalizing [agriculture] in a rational manner. The farmers' independent effort is also necessary; but modernization won't come about if there is no appropriate policy.

[Question] A rebuttal has come from the agricultural administration authorities. "Isn't the high price of agricultural products only a problem of the producer's price? Seventy percent of the price of agricultural food products comes from the cost of processing and distribution."

[Answer] Naturally that is the problem. The producer also suffers when the distributor "pads fish and beef prices." Also, we have continued to point out the fact that the late start in modernization of the distribution system has prevented the return of a marginal profit for the consumer.

[Question] It is said that "the rate food costs occupy in Japan's cost of living, that is to say, Engel's coefficient, is near the average for European countries." The rebuttal is "Isn't it alright to have a Japanese style price system in Japan?" and "Are Japan's food prices really high?"

[Answer] Perhaps that is because there is a difference in the food content. The rate of animal protein in the caloric intake amount for the Japanese is 14 percent, against 38 percent for Americans and Europeans. The amount of starch is 52 percent for the Japanese, against 20 percent for Americans and Europeans. This is said to be the Japanese style of eating, but another reason for it is that in recent years, Japanese beef consumption has been artificially checked by abnormally high prices.

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[Question] And then, I have heard the opinion that: "If we appreciably lower the price of agricultural food products, it will be necessary to also liberalize rice."

[Answer] Concerning rice, there is a question of ensuring food security. There is a natural condition which cannot be easily changed. We cannot liberalize rice because the status of rice is different than other agricultural products. However, what kind of effort are the agricultural administration authorities making toward developing a better tasting rice, toward a plan for expanding consumption and for improving production, etc?

No Hostility

[Question] Until now, labor unions have been saying: "Raise the price of rice for the producers. Lower the price of rice for consumers." "Labor and agriculture united" and "labor and agriculture fighting cooperatively" were the principles of the labor union movement. Have these principles been destroyed now?

[Answer] From start to finish, we have thought "increase the farmer's income by modernizing agriculture and raising productivity." On this point of view, we think that henceforth we will cooperate with all the farmers and together criticize the irrational agricultural administration. As I have been saying, we are not trying to tread on the farmers in our battle plans this year. We are not saying one word about the farmers being responsible for the high price of agricultural products. Just the complete opposite, what we are saying is linked to the farmer's profit and increase in standard of living. Consequently, the Domei is not negating the labor-agriculture cooperation. We don't intend any hostility toward the farmers. However, if the labor-agriculture cooperation is something that works in the direction of maintaining today's irrational structure, we won't take that!

Push for Dialog

[Question] Actually, it is not easy to change the agricultural administration. What will the Domei do to continue its movement? Do you have a good plan?

[Answer] We don't have a good idea yet, but the governing body of the agricultural cooperative seems to have moved over to voluntarily reducing rice acreage. They have clearly changed from the past agricultural cooperations, who resisted the government's acreage reduction policy. When they try to raise taxes because of a financial crisis, they are put under the pressure of bearing the burden of 900 billion yen for disposing of old rice. In these circumstances, it is natural that the agricultural cooperative begin to think rationally. It is true that agricultural administration reform is difficult, but it is not impossible.

The Domei, holding constructive dialog with various agricultural groups, consumer groups and, when necessary, business groups, would like to start with ascertaining the status of such problems as the distribution structure.

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Finally, it will become a political problem. It is our reflection that the labor unions' demands on the agricultural administration are belated. But I think it is too bad that Japan's political parties, whether the ruling party or opposition parties have been evading the problem.

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ECONOMIC

JAPAN TO PROPOSE INTERNATIONAL DEVELOPMENT OF COAL-OIL MIXTURE

Tokyo ASAHI EVENING NEWS in English 3 May 79 p 1 OW

[Text] Japan will propose the international joint development of Coal-Oil Mixture (COM) at the ministerial conference of the International Energy Agency in Paris 21-22 May, the ministry of international trade and industry has disclosed.

COM is made by mixing powdered coal with heavy oil at the ratio of one to one. Energy experts of the world are paying increasing attention to COM as the most important alternative to oil.

Compared with other energy sources, coal has various disadvantages: It is difficult to transport and store and it pollutes the air when it is burned. COM is designed to overcome these disadvantages. The MITI expects it will become a reliable alternative to oil in the early 1980s.

Research into COM first started in the United States after the 1973 energy crisis. In Japan, the Electric Power Development Co. (EPDC) started full-scale research and development in late 1977 and built at a cost of some 400 million yen a test plant in Mitsubishi Heavy Industries' Nagasaki Shipyard. The plant produces one ton of COM per hour.

The key to the commercial use of COM is the development of a chemical additive which prevents the powdered coal from separating from the oil and settling, a condition which makes it difficult to transport the mixture by tanker. The EPDC and Mitsubishi group have developed such a chemical additive. An additive is still under development in the United States and the Japanese success has been praised by experts of other countries.

The EPDC plans to build a pilot plant from next year. Although the MITI has earmarked in the Fiscal-1979 budget about 140 million yen for the development of COM, the pilot plant is expected to cost at least between 2 and 3 billion yen, and the EPDC hopes to invite other electric power companies to participate in the project.

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41

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SCIENCE AND TECHNOLOGY

STEPS TAKEN TO PROMOTE ECONOMICAL USE OF ENERGY

Tokyo NIKKAN KOGYO SHINBUN in Japanese 1 Feb 79 p 2

[Text] According to the disclosure made by the Ministry of International Trade and Industry (MITI) on 31 January, the Economical Energy Use Center (Chairman: Takezaemon Shinto) will expand and strengthen the traveling diagnostic and guidance program directed toward middle and small size businesses as one aspect of a policy to promote economical use of energy. The diagnostic analysis and guidance will be made available to 500 business offices starting in 1979 (350 offices in 1978).

The said diagnostic/guidance program has been in effect since 1975. It dispatches heat management personnel and/or electrical management specialists to middle and small size business establishments and instructs them regarding energy saving improvements and methods to maximize energy utilization. In the course of implementing this program, it was discovered that wasteful energy use in middle and small size business offices was a common phenomenon and the traveling diagnostic/guidance program has been very effective in curtailing the waste. The MITI and the Agency of Natural Resources and Energy have already decided on a joint budget of 26 million yen for 1979 (19 million in 1978) to finance this program.

In response to the increasingly strained political situation in Iran, the Administration announced a Basic Plan for Promoting Economical Use of Energy on 22 January; and February is the "Economical Energy Use Month." Amidst these occurrences, the need to instruct the middle and small size businesses in effective energy use is increasing. The MITI and the Agency of Natural Resources and Energy have concluded that the application of the said traveling diagnostic/guidance program to the middle and small size businesses has had considerable effect; and in the future, they intend to encourage its use by increasing the number of special instructors and so on.

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SCIENCE AND TECHNOLOGY

MITI, NONFERROUS INDUSTRY TO PROMOTE AUTOMATED MINING

Tokyo NIKKAN KOGYO SHINBUN in Japanese 31 Jan 79 p 7

[Text] The Ministry of International Trade and Industry (MITI) and the non-ferrous metal industry have decided on a policy to promote the development of new mining techniques such as automated mining, impress reaching (automated solvent mining technique) and so forth and to establish a "Committee to Research New Mining Techniques" within the Japan Mining Industry Association.

The said committee is headed by Professor (Sukune) Takeuchi of Tokyo University and is made up of 14 representatives from the government, industry and academia. The nonferrous metal industry is represented by the participation of Mitsui Mining and Melting Co., Ltd.; Nippon Mining Company, Ltd.; the Dowa Mining Co., Ltd.; Tanaka Mining Company and so on.

The said committee receives financial aid from MITI and is conducting a research investigation on new mining techniques with a view to completing a report by the end of March.

If the committee is able to focus on a single technological development theme at the research investigation stage, the plan is to secure the approval of the Industrial Technology Agency and make it the major project for 1980 and to proceed onto actual development on a national scale.

Among the new mining techniques under consideration, the leading contender--in terms of practicality and effectiveness--is automated mining technique (mining with micro-computer equipped robots), using impress reaching and remote control. Impress reaching, in particular, is already in use at Tanaka Mining's Tohata Mine, and is achieving excellent results. Therefore, it is in leading contention.

Impress reaching is a method whereby usable metals (copper, nickel and zinc) contained in ore deposits are melted and extracted by acid solution (dilute sulphuric acid). With regard to its effectiveness, the following can be cited: (1) Low grade ores (0.3-0.4 percent) heretofore not mined can be made productive. (2) It can be applied to such closed mines as Bekko (Ehime Prefecture), Ashio (Tochigi Prefecture) and Osaruzawa (Akita Prefecture) and it would enable waste-free utilization of resources. (3) It would enable automated mining.

It is said that if this technology is applied to all the mines in the country, domestic ore production will increase ten-fold from the present 70,000 tons to 700,000 tons (in the case of copper).

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43

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